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UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

February 1, 1953

P R E S S D I G E S T

A Sample of Newspaper Stories and Comment Regarding the
Rural Telephone and Electrification Loan Programs

TELEPHONES

1200 RURAL FAMILIES
GETTING PHONE SERVICE

The Independent
Anderson, S. C.
November 29, 1952

Gray Court, South Carolina - November 28 - The old-fashioned crank telephone box was literally buried today as community leaders dedicated a \$541,000 rural telephone project that will take modern phone communication into 1,200 Laurens, Abbeville and Spartanburg County homes. A rural exchange for residents of the Gray Court-Owings section of Laurens County under the Piedmont Rural Telephone Cooperative is the first of its kind east of the Mississippi River and the second such in the nation. The Gray Court-Owings system went into operation on October 31 with 250 subscribers. Other exchanges soon will go into full swing in Laurens, Ware Shoals and Entoree.

POWELL, TENNESSEE -
A TRUE SUCCESS STORY

Telephone Engineer
Fortnightly
December 1, 1952

Twenty-five years ago Mr. and Mrs. C. N. Scarbro came to Powell, Tennessee, and bought a small 40-station exchange, consisting of a very old magneto switchboard with one pair of cords. In 1949 he replaced the old equipment with 300 common battery and 20 magneto lines that served 495 stations. At the same time he applied for a \$245,000 REA loan to install automatic service. That loan was the first REA telephone loan in Tennessee. Last month 310 lines of automatic equipment were cut over to service 825 stations. Representative Howard Baker placed the first long distance call to Administrator Wickard. Mr. Scarbro had estimated that Powell wouldn't need further expansion for another 5 years. Yet on the night of the cut over, the company had 100 held orders for service and they continue to come in. Mr. Scarbro has filed another loan application with REA for an additional expansion.

Newsletter
Telephone Engineer
January 9, 1953

Telephone Men's Committee for Tax Equality, special committee of NTEA, has been organized by a group of Independents with offices in Chicago. The Committee of 12 is headed by Wm. C. Henry, Bellevue, Ohio. An announcement mailed during December to telephone people, stated that because of increased emphasis now being put on promotion of tax-free co-ops by REA, "some of us decided that organized effort MUST be made to acquaint the industry with Facts of this unjust competitive situation." The committee asks that telephone people correct situation through nationwide demand from taxpayers that all tax-exempt organizations, including telephone co-ops, be taxed in same manner and at same rate as the rest of us.

INDIANA COMMISSION APPROVES HOOSIER CO-OP PROPOSAL

Telecommunications Reports
December 9, 1952

The Indiana Public Service Commission, December 4, by a 2-1 vote, approved the request of the Hoosier Telephone Co-op for an operating certificate, partially clearing the way for it to receive a \$6,600,000 REA loan and acquire 13 telephone properties. A spokesman for the intervenors who opposed the co-op proposal told TELECOMMUNICATIONS that an appeal will be taken. Press reports said a basis for the majority decision was that the co-op is not actually a co-op, since it was organized under a 1935 non-profit corporation act. They said the 1951 rural telephone act, under which the intervenors and Commissioner Wallace Weatherholt said the co-op should have been organized, would bar the proposal because it bans service to towns of more than 1500 and requires all subscribers to be co-op members. PSC Chairman Abbett and Commissioner Tennis said they "froze" the \$290,000 to be provided by 10 Indiana rural electric co-ops as "equity" for the telephone organization. The fact that the co-op actually has no equity was another point of attack. REA sources said that agency regards the Hoosier co-op as an interim arrangement leading to development of new groups to take over various parts of the properties. They added that plans involve the return of the advances to the electric co-ops.

In an editorial, the INDIANAPOLIS STAR declared: "This financial fantasy with federal funds was authorized by the two Democratic members of the PSC who, at the same time, denied a bid from Indiana Bell Telephone Company to take over the firms at a going price and with private funds backed by the facilities and know-how of a successful private enterprise."

WASHINGTON BUREAU REPORTS

Telephone Engineer and
Management
December 1952

The policies of REA in deciding whether to approve telephone loans involving towns of over 1500 population have been outlined to

"Telecommunications Reports" by Administrator Wickard. He declared that a controlling factor is whether, considering the system as a whole, more urban or more rural people will be served by the proposed REA facilities. Mr. Wickard said that a total of 26 towns of over 1500 are involved to date in REA loan approvals, 14 of which are served by commercial companies. The other 12 involve acquisitions of existing properties.

The Administrator said that various borrowers have found it necessary from an economic or operating standpoint to locate all or some of their central office equipment in over-1500 towns. It is usually impossible for arrangements to be made so that REA finances only the rural portions of a system. REA is turning down applications for loans primarily for financing facilities in towns of over 1500 but cannot refuse requests when rural service is the primary objective. The proportion of rural vs. town subscribers is the major yardstick, he added.

NEW AREA PHONE EXCHANGE OPENS

Avalanche
Lubbock, Texas
December 14, 1952

Cotton Center, Texas - December 13, -- At 1:30 p.m. today, Governor "Allan Shivers" call from Austin to S. H. Bradford at Cotton Center School was completed and service initiated on the first cooperatively-built and owned telephone exchange in Texas. More than 400 persons in the auditorium heard the conversation. Riggs Shepperd, REA Assistant Administrator, was present to award a certificate of achievement to the South Plains Rural Telephone Cooperative. This cooperative which built the Cotton Center exchange has 10 other exchanges which are scheduled to begin operation before May 1. The real history of South Plains dates back to January 1950 when the first organized meeting was held in Plainview. Mr. Shepperd praised the work done by the co-op in "trail blazing." He added that 18 other telephone co-ops are finding things easier in Texas because of this work.

PHONE CO-OPS ASSOCIATION COMPLETES ORGANIZATION

Texas co-op Power
December 1952

Some fifty representatives of fifteen Texas rural phone co-ops completed organization of the Texas Statewide Telephone Cooperative, Inc. The association's charter had been previously issued by Texas' Secretary of State.

Speaking at the meeting, Richard Dell, head of REA's Telephone Loans Division, said he was sure that the great advance Texas has made in rural telephone service is largely the result of the work of Texas Power Reserve (rural electric co-op statewide association) and local rural electric co-ops.

REA HOLDS TWO MEETINGS FOR ENGINEERS

Telephone Engineer &
Management
December 1952

REA recently conducted symposiums in two areas (one, November 17 to 25 in Washington, and the other, December 1 to 19 in Cheyenne, Wyoming). Invitations were mailed to all consulting engineering firms that have expressed interest in the new REA telephone loan program. The meetings included an explanation of the construction specifications in the standard REA construction contract, by means of movies, discussions, 3-dimensional exhibits. Other subjects included numbering, telephone electronic equipment, and many others. K. Woodrow Benckert, Chief of the REA Telephone Engineering Division, said the purpose of these conferences was to let private engineering firms learn all they can about our needs, and for our people to learn what they are up against.

ELECTRIFICATION

Resolutions adopted at Annual
Meeting National Grange,
Rockford, Illinois
November 12 - 21, 1952

WHEREAS, thousands of rural people have been enabled to secure electric service by forming electric co-ops, and borrowed needed funds from the federal government (REA) all of which is paid back with interest, and they also pay taxes and contribute to the communities they serve, and WHEREAS, private power companies are working every scheme to cut off appropriations to REA and also for dams, calling it socialistic for people to use some of the resources of our country that belong to all of the people without paying excessive rates to some private power company; THEREFORE BE IT RESOLVED, that whenever necessary, we take a firm stand against undesirable private power company practices and that the National Grange do everything possible to bring this before the people and the Congress and to assist the rural electrification program in every way possible.

RURAL ELECTRIFICATION and TELEPHONE SERVICE

Resolutions adopted at Annual
Meeting American Farm Bureau
Federation, Seattle, Washington,
December 9, 10, 11

The AFBF resolution on rural electrification calls for "continued growth of power generation." Research and education are urged to the end that increased consumption of electricity on farms will be accompanied by an increase in its efficient use. Existing power companies are in a position to generate and transmit additional power most economically in most instances. Continuing the AFBF resolution states: "*** we will oppose any efforts to change the present law which makes it possible for the REA to finance the generation and transmission facilities farmers need."

The delegates placed the AFBF on record in continued support "of adequate appropriations to carry out the intent of the telephone act."

PROGRESS, AN UPHILL GRIND

Editorial in
The Mocksville (N.C.) Enterprise
November 21, 1952

The story of this section of North Carolina-- the people, their lives, their work, and their environment has been woven into a picture story by the Davie Electric Membership Corporation, the REA agency serving portions of this county. The theme, although local in scope, is universal in nature. Progress is depicted through dramatic comparison. There is the old spring and well, the back-breaking toting of water put against the running water that most home and farms have today. There is the old kerosene lamp as compared to modern lighting; the wood range, - the new electric stove. And many other such examples. So swift and sure has been the evolution of these ways of life, that the methods of a short while ago have the tendency to take on the role of comedy viewed by an audience of today. Far too many take such progress for granted, believing such is always inevitable.

This picture shows what electricity has done for this section of North Carolina. It demonstrates progress made in all walks of life. However, this progress did not just happen. It was the result of "blood, sweat and tears" on the part of many. Progress is an uphill grind and the story of the REA is no exception. Those who remember past struggles, do not take the present for granted.

PARK ELECTRIC CO-OP PAYS \$45,000
AHEAD ON ITS PRINCIPAL DEBT

The Park County News
Livingston, Montana
October 30, 1952

The Board of Trustees of the Park Electric Cooperative, Livingston, recently wrote a check for \$45,000 for an advance payment on the principal indebtedness of the organization, setting it about two years ahead on payment of principal with a corresponding saving in interest. This payment, the president said, puts the co-op in excellent shape to meet any emergency. The "Park Sparks", the monthly paper of the co-op, will be in the hands of all consumers this weekend, telling the full story of the co-op's financial status.

MCKAY FAVORS GETTING U. S. OUT
OF POWER BUSINESS, RAVER FINDS

Wall Street Journal
December 22, 1953

Salem (ore.) AP - Douglas McKay, Secretary-designate of the Interior, favors "any good plan to get the government out of the power business." This was his comment on a plan unfolded December 16, by Dr. Paul J. Raver, Bonneville Power Administrator. Raver told his regional advisory council he favored the formation of an interstate agency. This would replace the Interior Department's Bonneville Power Administration. Vast administrative and financing powers would be vested in the regional authority or commission. The new set up would assume powers over the present Columbia River dams and build new lines. Revenue bonds would be the method of financing.

DAIRYLAND CO-OP GETS PORTRAIT
OF FRANKLIN WOOD

Wisconsin REA News
December 1952

Directors of Dairyland Power Co-op paid tribute on November 14 to the late Franklin P. Wood and gave recognition to Vern G. Howard, Norris E. Maloney, George Lewis, Ray L. Cleaves and W. E. Owen, 5 pioneers of co-op generation here in Wisconsin. A framed portrait of Wood (gift of Wood's REA friends) was presented to Dairyland during the meeting of the directors by George Lewis, one of the first REA field representatives for REA, now assistant director of the North Central distribution area.

Editor's note -- An identical portrait of Mr. Wood was also presented recently to the Minnkota Power Cooperative at Grand Forks, North Dakota, by George J. Long, who was associated with Mr. Wood helping local leaders in the organization of Minnkota.

ELECTRIC CO-OPS STUDY BUILDING
PROJECT AS MEMORIAL TO NORRIS

Washington (D.C.) Evening Star
December 15, 1952

Erection of a \$1 million office building here as a memorial to the late Senator Norris is being considered by NRECA. Its headquarters would be in the building. It would bear the name of the Senator who is generally acclaimed as the "father" of rural electrification.

GENERAL

U. S. RURAL PHONE LOANS IN '52
HIT \$52 MILLION

UP dispatch from Washington
Wall Street Journal
January 6, 1953

The REA said it approved telephone loans at the rate of \$140,000 a day during 1952. The \$52 million worth of loans approved during the year almost equaled the combined total for the two previous years, and brought to \$106 million total loan approvals since the program was set up. The REA year-end report said 18 of the 20 automatic dial systems set up in rural areas went into operation during the past year. Since mid-November, an average of about one new REA-financed system per week has gone into service. REA said loans under the 13-year-old electrification program totaled \$182 million in 1952. It brought to \$2,266 million approved since the electric program was set up. It said the first payment, \$534, due under the telephone loan program was made on schedule in September.

From a Brazilian newspaper

Mr. Adail Morais, deputy of the Legislative Assembly of Rio Grande de Sul, Brazil, has introduced a bill for government aid in telephone and power. He says his bill would extend lines to all municipalities not now served by telephone. He continued, "Mr. President, neither should we forget the example of the REA in the U. S. organizing a department especially for the distribution of telephone service."